

ABSTRACT

THE IMPACT OF REPORTING ON INDOMIE'S WITHDRAWAL IN TAIWAN TO THE STOCK RETURN OF PT INDOFOOD SUKSES MAKMUR Tbk (Case Study On August 2010 untill October 2010 Period)

By

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Every investor wants profits (return) to the maximum from every investment have been made. One way to reach that goals is by taking the advantage of events that carry informations which often occurs in the market, especially the middle strong of efficient market. Market reaction due to the informations content of an event is shown by a change in the price of the securities concerned, and this reaction can be measured by knowing the change in abnormal return. If there is an abnormal return, it can be said that an announcement has information content. Instead, the announcement that does not contain information not give abnormal return to the market. One term of information which had been published is the information about Indomie's withdrawal product in Taiwan.

The problem posed is "*Does the withdrawal of Indomie's product in Taiwan give an impact to the abnormal stock return PT Indomie Sukses Makmur Tbk?*". The purpose of this study was to determine whether there are significant differences in abnormal stock return of PT. Indomie Sukses Makmur before and after the withdrawal of Indomie events in Taiwan. The hypothesis is the "*Withdrawal of Indomie in Taiwan gives impact to the abnormal stock return PT Indomie Sukses Makmur Tbk.*"

Data used in this study are daily stock closing price data from August to October 2010 period. The analytical method used is the expected return measure of analysis using the model of *Capital Asset Pricing Model (CAPM)*. The result showed that there was no difference in significant negative abnormal return before and after the withdrawal of Indomie in Taiwan. This means that the information indicates the withdrawal of Indomie in Taiwan contains very little information and does not cause a high negative sentiment for investors. This research described that the market is stayed in an efficient condition. The suggestion for the investor and investor potential, who will invest when the event happen, that they should find out carefully about the information of the event before they do unvestment. For other researchers, who wiil do research of event study, they should focus on the causes of market reaction that is contradict to the normal reaction.

Keywords : *stock return, expected return, abnormal return*